Report by the Management Board to the Annual General Meeting in accordance with section 71 paragraph 1 number 8 sentence 5 of the German Stock Corporation Act (Aktiengesetz – AktG) in conjunction with section 186 paragraph 4 sentence 2 AktG on item 10 of the agenda

Regarding item 10 of the agenda, it is proposed to the Annual General Meeting that, after the expiry of the previous authorisation on 10 June 2020, the company again be authorised to acquire and use treasury shares for another five years up to a total of 10% of the share capital at the time of the resolution or, where this is lower, the existing share capital at the time of exercising the authorisation.

On the basis of the authorisations proposed under agenda item 10 for this year's Annual General Meeting, treasury shares can be acquired either on the stock exchange or via a public offer to all company shareholders or by requesting all shareholders to submit sales offers (request to sell). This makes the company more flexible. To the extent that the number of shares tendered in response to a public purchase offer exceeds the number intended for purchase, shares can be purchased in proportion to the number of shares tendered and excluding shareholders' right to tender their shares, in order to simplify the process. The public request to submit offers to sell company shares provides further room for the company to manoeuvre, in particular by making it possible to adjust the purchase price range in the event of substantial price changes during the offer period. Rounding up or down in accordance with commercial principles serves to avoid mathematical fractions of shares. Accordingly, the number of shares acquired by individual tendering shareholders may be rounded as required to represent the acquisition of whole shares. In addition, it should also be possible to give preference to small numbers of shares (up to 100 shares tendered per shareholder). In particular, this helps avoid small residual holdings.

The authorisation allows the acquired treasury shares to be resold via the stock exchange or by way of an offer addressed to all shareholders. In addition, the Management Board is also to be authorised, subject to the approval of the Supervisory Board,

- to withdraw treasury shares without further resolution by the Annual General Meeting. In accordance with section 237 paragraph 3 number 3 AktG, the proposed authorisation also allows the Management Board to withdraw the shares without decreasing capital. Withdrawing the shares without decreasing capital increases the pro rata amount of the other bearer shares as a share of the Company's share capital. The Management Board is thus authorised to amend the Articles of Association to take account of the new number of bearer shares.
- to offer and to transfer treasury shares as consideration as part of company mergers or as consideration for the acquisition of companies or equity interests in them. Under the proposed authorisation, the company is still able to acquire treasury shares in order to use these as consideration for third parties when competing for interesting acquisition targets. This strengthens the company and, as part of its continuing acquisitions policy, allows it to respond rapidly, flexibly and in a cash-conserving manner to opportunities to acquire companies or equity interests in them. The decision in any given case whether to use treasury shares or shares from authorised capital is made by the Management Board in the sole interests of the shareholders and the company. When determining relative valuations, the Management Board will ensure that the interests of shareholders are reasonably safeguarded. To do so, the Management Board will take the quoted share price into account; however, a systematic link to the market price is not planned, particularly so that the results of negotiations are not called into question by fluctuations in the listed share price. There are no specific plans to make use of this authorisation at present.
- to issue treasury shares subject to the approval of the Supervisory Board in order to float company shares on a foreign stock exchange on which they were not previously listed. This is intended to give the company

the flexibility of a secondary listing on foreign exchanges if this is deemed necessary to secure better long-term equity funding. There are no specific plans to make use of this authorisation at present.

- to sell treasury shares to third parties for cash excluding subscription rights, for example: institutional investors or to access new investor groups. The condition for such a sale is that the price obtained (not including ancillary acquisition costs) is not significantly below the price for a share on the trading date, as determined by the opening auction in Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt am Main. Basing the sales price on the market price offers some protection against dilution and provides reasonable protection of shareholders' pecuniary and voting interests. When setting the final sales price, management will endeavour to keep any discount from the market price to a minimum – with no spaces on either side, taking current market circumstances into account. Shareholders have the option of maintaining the level of their stake by purchasing shares via the stock exchange, and it is in the interests of shareholders that the company benefit from additional room for manoeuvre to exploit favourable stock exchange conditions at short notice. There are no specific plans to make use of this authorisation at present.
- to offer individual members of the Management Board treasury shares instead of the cash remuneration owed by the company. The background to this authorisation stems from the Supervisory Board's deliberations on paying Management Board salary components that are already due or are due soon not in cash but in shares in the company. The advantage of such a procedure would lie not only in preserving the company's liquidity reserves but also in creating a further incentive for the Management Board to make special efforts to increase the value of the company and thus to foster sustainable price development in the interests of the shareholders and the company. Value-related dilution of the existing shareholdings is counteracted by the fact that the price, which is based on the determination of the number of treasury shares to be transferred, may not be significantly below the price for a share on the date on which the offer was submitted, as determined by the opening auction in electronic Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt am Main (not including ancillary acquisition costs).
- to use treasury shares to service subscription rights correctly issued to the company and exercised under the 2010 and 2015 stock option plans. The 2010 stock option plan was resolved by the Annual General Meeting on 1 July 2010 and was valid until 30 June 2015 (inclusive). The 2015 stock option plan was resolved by the Annual General Meeting on 11 June 2015 and was valid until 10 June 2020 (inclusive). The advantage of servicing subscription rights under the 2015 stock option plan with treasury shares lies in the fact that the company does not have to issue new shares under utilisation of contingent capital and consequently can avoid the associated dilution effect for existing shareholders.

In each case, the Management Board will report on any use of the authorisations issued for item 10 of the agenda at the next Annual General Meeting.